

Detroit News

Bush wants swift overhaul of fuel rules

Transportation Dept. seeks ability to hike average gas economy for U.S. passenger cars.

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WASHINGTON -- The Bush administration, hoping to ease concerns about rising gasoline prices, said Wednesday it would quickly propose a comprehensive overhaul of the nation's fuel economy standards, just days after it sought authority to improve the performance of the nation's passenger cars.

At a hearing Wednesday, U.S. Transportation Secretary Norman Mineta asked Congress to give the administration immediate authority to raise the corporate average fuel economy of the nation's passenger car fleet, but spurned efforts to set specific targets.

"If we are given authority to reform the CAFE system for passenger cars, we can improve fuel efficiency by requiring manufacturers to apply fuel-saving technologies rather than giving them an incentive to build smaller cars," Mineta said. "Picking a target is like saying: 'Ready, fire, aim' -- rather than letting the decision be dictated by science."

Several bills in Congress have sought to set a specific numerical target to raise fuel standards.

One bill that received 170 votes last session and was sponsored by U.S. Rep. Sherwood Boehlert, R-N.Y., would require an average of 33 miles per gallon by 2015.

"We can sit back and fiddle while Americans burn more gasoline. Or we can pass concrete, effective legislation that will save consumers money while significantly reducing U.S. oil consumption," said Boehlert, the first witness to testify at the hearing. That proposal would save enough gasoline to end all U.S. oil imports from the Persian Gulf, said U.S. Rep. Edward Markey, D-Mass.

Markey noted that President Kennedy set a goal to get to the moon by 1969. "Thus far, President Bush has claimed that it isn't possible. After all, that was just rocket science -- this is auto mechanics," Markey said.

Detroit automakers adamantly oppose stiffer fuel economy standards, which they argue distort the market by forcing them to offer incentives to sell additional smaller, more fuel-efficient vehicles to offset the sale of bigger vehicles.

The nation's current fuel economy standards were signed into law in 1975 by a Republican president from Michigan -- Gerald Ford at the height of the Arab oil embargo -- and have undergone minor adjustments through the years.

The standards -- essentially picked at random -- doubled fuel economy targets for cars from an average 13.5 mpg in 1975 to 27.5 in 1985. There's been no change in the standards in two decades.

Last year, the nation's automobiles averaged 25.4 miles per gallon. Automakers have voluntarily surpassed the requirement, with passenger cars averaging 30.1 miles per gallon and light trucks -- which includes SUVs and other heavier vehicles -- averaging 22 miles per gallon.

In March, federal regulators outlined new rules that will increase the light truck standard to 24 miles per gallon, and also regulate heavier SUVs for the first time, which will eventually save 10.7 billion gallons when fully implemented in 2011. The new rules also move away from an average for all light trucks, and instead set averages based on the size of a vehicle.

Mineta and automakers say an immediate increase in fuel economy standards could force automakers to lighten vehicles, which could result in more deaths.

Another proposal under discussion at the White House would require automakers to produce a set number of flexible-fuel vehicles. In exchange, the oil companies would agree to provide alternative fuels like E85 at more pumps. Of the 180,000 gas pumps nationwide, only about 650 have E85.

A 2001 National Academy of Sciences report said fuel economy standards led to an estimated 1,300 to 2,600 traffic deaths in 1993, because of lighter cars. But the same study also said automakers have the technology to safely raise average fuel economy rates to 33 miles per gallon.

Those reforms could include a controversial plan to use "trading credits" -- where automakers could buy and sell credits. Since Toyota, Honda and Hyundai have higher fuel economy averages than GM, Ford and Chrysler, it could result in the troubled U.S. automakers having to shell out money to profitable Japanese rivals.

"It could aggravate the uneven playing field that currently exists between foreign and domestic auto manufacturers," said Alan Reuther, the legislative director of the United Auto Workers.

President Bush met Wednesday with members of Congress, including U.S. Rep John Dingell, D-Dearborn, to discuss energy policy. "Increasing CAFE standards will not reduce gas prices," Dingell said. "These are perilous times for the American automobile industry."